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Ex-C.I.A. Agent's Associates Run Arms Export Concerns

The following article is based on reporting by Philip Taubman and Jeff Gerth and was written by Mr. Taubman.

Special to The New York Times

WASHINGTON, Sept. 5 — A series of interlocking businesses here that transfer advanced technology and sensitive military equipment to foreign governments, especially in the Middle East, are operated by a group of men once closely associated at the Central Intelligence Agency with Edwin P. Wilson, a former C.I.A. agent who has been charged with illegally shipping explosives to Libya.

One of the companies, A.P.I. Distributors Inc., a petroleum services corporation that has employed at least four former C.I.A. agents, was established by Mr. Wilson in 1978 for Thomas G. Clines, who was an active senior agency official at the time, according to Mr. Clines. Another Clines company, Mr. Clines said, was started with a loan arranged in Switzerland that involved Mr. Wilson's Geneva attorney, and Mr. Clines said he could not rule out the possibility that Mr. Wilson was involved in the loan.

Another of the businesses, the Egyptian American Transport and Services Corporation, known as Eatsco, has an exclusive contract with the Egyptian Government to handle the shipment to Egypt of billions of dollars in military equipment bought in the United States. Mr. Clines said he owned 49 percent of Eatsco.

Federal investigators say there is additional evidence linking Mr. Wilson to some of the companies. For example, notations about Eatsco and an affiliate appear in handwritten notes made by a man charged with attempting to murder a Libyan dissident last year in Fort Collins, Colo., Federal law enforcement officials said. These officials said they had evidence that made them believe that the notes were made by the suspect, Eugene A. Tafoya, during or after a meeting with Mr. Wilson. The officials believe Mr. Wilson may have arranged and financed the assassination attempt.

None of the men or corporations have been accused of criminal conduct, according to Federal authorities. All the businessmen involved denied having any current business or financial rela-

tionship with Mr. Wilson. Mr. Wilson's name does not appear on any of the companies' incorporation papers. Mr. Clines said in an interview yesterday that his former ties to Mr. Wilson had "haunted" him and hurt his business.

An Emerging Puzzle

The extent to which these men and companies may be linked to Mr. Wilson is part of the emerging puzzle about all of Mr. Wilson's activities over the last decade.

Already, that puzzle has raised questions for many senior Government officials about the Government's lack of control over the transfer of sensitive technology abroad by former senior military and intelligence officials. They also say they are troubled by the C.I.A.'s inability to prevent private misuse of intelligence and international connections by its current and former employees.

The sale of advanced technology and military equipment abroad is carefully controlled by Federal law and Government regulations that are enforced by the Department of Commerce and the Department of State, but officials at both agencies acknowledge that the laws and regulations have frequently been circumvented by Mr. Wilson and others.

C.I.A. officials say the agency has no mechanism to prevent former employees from capitalizing in private life on intelligence connections and information they acquired while working for the agency. William J. Casey, the Director of Central Intelligence, announced earlier this summer that, largely in response to Mr. Wilson's activities, he had ordered a review of agency policies in this area.

Officials said, for example, that they were concerned that Mr. Wilson had used agency employees in his personal business activities. In one instance in 1978, Mr. Wilson, who was no longer working for the Government, secured the help of key C.I.A. officials in an unsuccessful effort to sell highly sensitive surveillance equipment to Egypt, according to former Wilson associates.

According to Justice Department officials, in another instance, also in 1978, Mr. Wilson hired Rafael Quintero, a for-

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agency in October 1978, he served as director of training in the directorate of operations, also known as the clandestine